



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo

#05-08

To: Benefits Administrators at Colleges and Universities
From: Mary P. Habel, Director
State and Local Health Benefits Programs
CC: All OHB
Date: June 24, 2005
Re: Health Benefits Program Enrollment for Part-time Faculty

Part-time Salaried Faculty Now Eligible

Legislation passed during the 2005 General Assembly session extends eligibility for state health benefits coverage to part-time salaried faculty and their eligible dependents effective July 1, 2005. Included are part-time salaried faculty members who are regularly scheduled to work at least 20 hours but less than 40 hours per week (or who work the equivalent of one-half of a full time equivalent position) engaged in the performance of teaching, administrative or research duties. Adjunct faculty members are not eligible, as well as those faculty whose tenure is restricted as to temporary or provisional appointment.

Health and Flexible Benefits

Colleges and universities determine whether faculty members are part-time or full-time. However, the percentage of time that a faculty member is assigned in PMIS determines eligibility for the employer health care contribution.

- Eligible faculty members who are placed in the 50% to 79% category will pay the total health benefits premium based on the membership and options selected (both the employee and the employer contributions). Premiums may be deducted from their paychecks on a pre-tax basis or paid directly to the agency payroll office.

- Eligible faculty members who are placed in the 80% to 99% category will pay only the employee portion of the health benefits premium for the membership options selected. The college or university will be responsible for paying the employer portion of the premium. Premiums must be payroll deducted on a pre-tax basis.

Examples:

University A has a faculty member working 87.5% (35 hours per week) which the university considers full-time. The faculty member is entered into PMIS as working 87.5% and is eligible for health benefits with the university paying the employer contribution.

University B has a faculty member working 95% (38 hours per week) which the university considers part-time. The faculty member must be entered into PMIS as working less than 80% so that the faculty member pays the total health benefits premium.

Non-PMIS agencies must key the appropriate status code for the part-time or full-time faculty member in the BES system. Please see the BES Instructions for Newly Eligible Faculty in this memo.

Faculty members may participate immediately in a Dependent Care Flexible Reimbursement Account (DFRA). Employees have to be eligible for the Health Benefits Program for six continuous months to be eligible for the Medical Flexible Reimbursement Account (MFRA).

Enrollment Period

An enrollment period for health coverage and DFRA's will be held through Aug. 31, 2005 for these newly eligible part-time faculty members. They can enroll in the MFRA during the month of December 2005 for a January 1, 2006 effective date. If they do not enroll during these specific enrollment periods, they will have to wait until Open Enrollment or until they experience a qualifying mid-year event that would allow the election.

You may accept enrollment forms immediately. ***All enrollment forms must be received no later than Aug. 31.*** The following chart shows the effective date of health coverage or DFRA based on the date an enrollment form is submitted.

If An Enrollment Form is Received...	The Effective Date is...
On or before July 1, 2005	July 1, 2005
Between July 2 and Aug. 1, 2005	Aug. 1, 2005
Between Aug. 2 and Aug. 31, 2005	Sept. 1, 2005

A sample letter is attached. Please provide a copy of the letter, the enclosed fact sheets on the enrollment, an Enrollment Form for Active Employees and July 2005 premiums to part-time faculty members eligible for coverage on July 1. The enrollment form and premiums may be printed from the Department of Human Resource Management's (DHRM) Web site at www.dhrm.virginia.gov under Compensation and Benefits. For additional information on benefits,

including a summary of health coverage, employees may view the Spring 2005 Spotlight on the DHRM Web site under Compensation and Benefits/ Health Benefits/ For Employees/ Publications, Reports and Rate History.

Long-Term Care Insurance

Remember that because of the change in their status, these part-time faculty members also will be eligible for the long-term care insurance program offered through DHRM. ***A special enrollment period will be held for long-term care from July 1 – Aug. 31, 2005.*** During this period, newly eligible part-time faculty may submit an application for long-term care insurance with guaranteed issue. They may enroll directly by calling Aetna Life Insurance Company toll free at 1-877-894-2470 or by visiting the Aetna Web site at www.aetna.com/group/commonwealthva. Long-term care insurance coverage will be effective Oct. 1, 2005.

BES Instructions for Newly Eligible Faculty

BES will automatically create Waived records for newly eligible faculty found in PMIS. The BES Status code will be assigned based on the following PMIS percentages:

- PQ full-time faculty with a percentage of 80 – 99%
- PP part-time faculty with a percentage of 50 – 79%

Non-PMIS agencies with newly eligible faculty must create a Waived record in BES even if an enrollment election is not submitted. Use PSB000 and one of the following BES Status codes:

- NQ full-time faculty with a percentage of 80 – 99%
- NP part-time faculty with a percentage of 50 – 79%

Enrollment elections received from faculty are entered in BES using the following transactions:

- Health Plan Election: PSB301 and Reason Code 01
- DFRA Election: PSB200 and Reason Code 01

Enrollment elections must be received within 31 days of employment or eligibility. However, this initial enrollment period has been extended until August 31. Please forward elections received between August 2 and August 31 to the Office of Health Benefits for BES entry.

Retiree Group Policies

Retiring part-time faculty members who are otherwise eligible for the State Retiree Health Benefits Program will be allowed to enroll for retiree coverage. Like full-time faculty members, retiring part-time faculty must meet all of the following eligibility requirements to enroll in the program:

- They must be retiring state faculty members who are eligible for and elect to take an immediate monthly annuity from the Virginia Retirement System or an immediate periodic benefit from one of the qualified Optional Retirement Plan vendors. (Faculty who defer their monthly benefit are not eligible.)

- They must have been faculty members of the state immediately prior to retirement and eligible for coverage as active faculty (not including Extended Coverage).
- They must enroll within 31 days of their retirement dates.

Part-time faculty members who have waived active coverage but meet all of the above eligibility criteria at the time of retirement may enroll in single coverage as long as they do so within 31 days of their retirement dates. Eligible family members may be added at Open Enrollment, if applicable, or due to consistent qualifying mid-year events. After retirement, all other provisions of the retiree program will apply to these participants.

Expanded eligibility has other implications relating to State Retiree Health Benefits Program participants who are hired as part-time faculty members. In general, retiree group participants (including retirees, survivors or their covered dependents) who become eligible for active coverage must leave the retiree group and enroll in coverage as active participants. For those eligible for Medicare, this will result in moving from a Medicare-coordinating plan to a non-Medicare plan. Benefits Administrators may contact the Office of Health Benefits for assistance with these complex enrollment situations.

Enrollment for active coverage will require either the completion of an enrollment form or enrollment through EmployeeDirect within 31 days of the date of hire or during the special enrollment period addressed in this memo.

Enrollment Process for Faculty Moving from Full-Time to Part-Time

When a faculty member moves from a full-time to a part-time position, coverage in the active plan will be terminated. The part-time faculty member remains eligible for the program, but must re-enroll within 31 days of the change from full-time employment to part-time employment status. The effective date for the new enrollment will be made prospectively and membership may be reduced. In addition, a consistent plan change may be made. Due to the reduction in hours and resulting loss of employer premium contribution, this would also be an Extended Coverage qualifying event for employees enrolled at the time of moving from full-time to part-time status.

Eligible participants may enroll in Extended Coverage if the 31-day window is missed or should there be a one-month break in coverage due to the prospective date rule. Participants enrolled in Extended Coverage due to missing the 31-day window will be eligible to enroll in active coverage during the next Open Enrollment or with a consistent qualifying mid-year event (i.e., beginning full-time employment, HIPAA Special Enrollment).

Attachments

- Letter for Newly Eligible Part-time Faculty
- Health Benefits Enrollment Fact Sheet
- 2005 Health Coverage Premiums
- Long-Term Care Fact Sheet